SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF WESTCHESTER

SEVEN SPRINGS, LLC,

Plaintiff,

-against-

BEFORE:

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Index No. 21162/09

FILED

JAN - 6 2014

TIMOTHY C. IDOM

COUNTY CLERK

VINTY OF WESTCHE

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THE NATURE CONVERVANCY, ROBERT BURKE, TERI BURKE, NOEL B. DONOHOE and JOANN DONOHOE,

Defendants.

20 County Center Carmel, New York August 22, 2011

HON. FRANCIS N. NICOLAI,

Justice of the Supreme Court

COHN & SPECTOR, P.C. Attorneys for the Plaintiff 200 East Post Road White Plains, New York 10601 BY: JULIE COHN, ESQ.

BENOWICH LAW, LLP Attorneys for the Defendant, Nature Conservancy 1025 Westchester Avenue White Plains, New York 10604 BY: LEONARD BENOWICH, ESQ.

Mary C. Traynor

Senior Court Reporter

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| 1 | PROCEEDINGS |
| 2 | (Plaintiff's Exhibit 1, real estate tax |
| 3 | expenses, marked for identification.) |
| 4 | (Plaintiff's Exhibit 2, computer payroll |
| 5 | expenses, marked for identification.) |
| 6 | (Plaintiff's Exhibit 3, office expenses |
| 7 | and supplies, marked for identification.) |
| 8 | (Plaintiff's Exhibit 4, |
| 9 | <pre>stationery/printing/postage expenses, marked for</pre> |
| 10 | identification.) |
| 11 | (Plaintiff's Exhibit 5, telephone |
| 12 | expenses, marked for identification.) |
| 13 | (Plaintiff's Exhibit 6, fuel/steam |
| 14 | expenses, marked for identification.) |
| 15 | (Plaintiff's Exhibit 7, electricity |
| 16 | usage expenses, marked for identification.) |
| 17 | (Plaintiff's Exhibit 8, truck and auto |
| 18 | expenses, marked for identification.) |
| 19 | (Plaintiff's Exhibit 9, |
| 20 | messenger/delivery expenses, marked for |
| 21 | identification.) |
| 22 | (Plaintiff's Exhibit 10, painting |
| 23 | supplies, marked for identification.) |
| 24 | (Plaintiff's Exhibit 11, appliance and |
| 25 | equipment expenses, marked for identification.) |
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| 1 | PROCEEDINGS |
| 2 | (Plaintiff's Exhibit 12, hardware |
| 3 | supplies, marked for identification.) |
| 4 | (Plaintiff's Exhibit 13, repairs, |
| 5 | materials and supplies, marked for |
| 6 | identification.) |
| 7 | (Plaintiff's Exhibit 14, plumbing |
| 8 | repairs, materials and supplies, marked for |
| 9 | identification.) |
| 10 | (Plaintiff's Exhibit 15, electric |
| 11 | repairs and supplies, marked for identification.) |
| 12 | (Plaintiff's Exhibit 16, rubbish |
| 13 | removal, marked for identification.) |
| 14 | (Plaintiff's Exhibit 17, roof repairs, |
| 15 | marked for identification.) |

| 16 | (Plaintiff's Exhibit 18, marble |
|----|--|
| 17 | maintenance, contract, marked for identification.) |
| 18 | (Plaintiff's Exhibit 19, HVAC |
| 19 | maintenance, marked for identification.) |
| 20 | (Plaintiff's Exhibit 20, locks and door |
| 21 | repairs, marked for identification.) |
| 22 | (Plaintiff's Exhibit 21, fire and |
| 23 | security system, marked for identification.) |
| 24 | (Plaintiff's Exhibit 22, extermination |
| 25 | expenses, marked for identification.) |
| | 8/22/11 |

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| 1 | PROCEEDINGS |
| 2 | (Plaintiff's Exhibit 23, repairs and |
| 3 | maintenance, marked for identification.) |
| 4 | (Plaintiff's Exhibit 24, cleaning |
| 5 | supplies, marked for identification.) |
| 6 | (Plaintiff's Exhibit 25, cleaning, |
| 7 | marked for identification.) |
| 8 | (Plaintiff's Exhibit 26, landscape, snow |
| 9 | removal, marked for identification.) |
| 10 | (Plaintiff's Exhibit 27, general |
| 11 | insurance, marked for identification.) |
| 12 | (Plaintiff's Exhibit 28, Natural Gas, |
| 13 | selected pages, annual report, 6/30/09 and |
| 14 | 6/30/10, marked for identification.) |
| 15 | (Plaintiff's Exhibit 29, selected |

| 16 | portion, tax return, form 990, marked for |
|----|---|
| 17 | identification.) |
| 18 | THE CLERK: Judge, this is an add-on to |
| 19 | today's calendar in the matter of Seven Springs |
| 20 | versus Nature Conservancy and others. Westchester |
| 21 | County Index Number 9130/06. |
| 22 | Please give your appearances. |
| 23 | MR. COHN: Julius Cohn, Cohn and |
| 24 | Spector, 200 East Post Road, White Plains, New |
| 25 | York for Seven Springs. Plaintiff, your Honor. |
| | 8/22/11 |

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| 1 | PROCEEDINGS |
| 2 | MR. BENOWICH: Leonard Benowich, |
| 3 | Benowich Law Firm, 1025 Westchester Avenue, White |
| 4 | Plains for the Nature Conservancy. |
| 5 | THE COURT: Co-counsel, Mr. Cohn? |
| 6 | MR. COHN: I would like to introduce Mr. |
| 7 | James Thayer. He graduated from Hofstra and is |
| 8 | awaiting the results of the July bar. |
| 9 | That is one of the financial officers of |
| 10 | the Trump Organization. |
| 11 | THE COURT: Very well. Thank you. |
| 12 | What I have on this, gentlemen, is a |
| 13 | copy of the Decision of the Appellate Division |
| 14 | which remitted the matter back to Supreme Court, |
| 15 | Westchester for the limited purpose of setting the |
| 16 | amount of bond that the appellant has to post. |
| 17 | They granted temporary relief with regard to |
| 18 | entering upon the property, with regard to any |
| 19 | vehicle equipment or machinery, etcetera, where |
| 20 | they conduct, one appellant may conduct. |
| 21 | You're the appellant? |
| 22 | MR. BENOWICH: I am. |
| 23 | THE COURT: You don't want to do any |
| 24 | land surveys here? |
| 25 | MR. BENOWICH: No. |
| | 8/22/11 |

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| 1 | PROCEEDINGS | |
| 2 | THE COURT: I didn't think so. That | |
| 3 | word is wrong in the decision. It should be | |
| 4 | Respondent may conduct handheld surveys. | |
| 5 | Okay, Mr. Benowich, since you're the | |
| 6 | person who has to post the bond, I'll let you go | |
| 7 | first. | |
| 8 | MR. BENOWICH: Actually, your Honor, I | |
| 9 | am the one who has to post the bond, but it's Mr. | |
| 10 | Cohn's client's burden of proof to prove damages. | |
| 11 | THE COURT: He has to establish a fair | |
| 12 | and reasonable number. | |
| 13 | Mr. Cohn, do you wish to be heard? | |
| 14 | MR. COHN: Just as the briefest of | |
| 15 | openings. | |
| 16 | We intend to prove through two witnesses | |
| 17 | here that the total amount of the bond should be | |
| 18 | \$2,955,295, or round it up to a \$3 million bond. | |
| 19 | We intend to prove that by virtue of | |
| 20 | prior expenses imposed on a limited period of time | |
| 21 | for the decision on the appeal and that will be | |
| 22 | our proof. | |
| 23 | THE COURT: Very well. Whoever will be | |
| 24 | called as a witness, first witness, can go on the | |
| 25 | witness stand. Other witnesses should step | |
| | 8/22/11 | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | outside. |
| 3 | MR. COHN: All right. Mr. McConney is |
| 4 | limited to financials. He will be called second. |
| 5 | The first witness, Mr. Harold Goldman, |
| 6 | is describing the nature of the property, nature |
| 7 | of the needs. |
| 8 | THE COURT: Do you have any objection to |
| 9 | the second witness staying in the courtroom while |
| 10 | the first testifies, Mr. Benowich? |
| 11 | MR. BENOWICH: No, Judge, as long as |
| 12 | there is two. We're talking about a lot of people |
| 13 | here. |
| 14 | MR. COHN: No, that's it. |
| 15 | We call Mr. Harold Goldman. |

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| 16 | THE COURT OFFICER: Raise your right |
| 17 | hand. |
| 18 | Do you swear the evidence you are about |
| 19 | to give in the matter before this Court will be |
| 20 | the truth, the whole truth and nothing but the |
| 21 | truth, so help you God? |
| 22 | THE WITNESS: I do. |
| 23 | THE COURT OFFICER: State your full |
| 24 | name. |
| 25 | THE WITNESS: Hal Goldman. |
| | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | THE COURT OFFICER: Your address? |
| 3 | THE WITNESS: 487 East Main Street, |
| 4 | Mount Kisco, New York. |
| 5 | DIRECT EXAMINATION |
| 6 | BY MR. COHN: |
| 7 | Q. Mr. Goldman, what are your duties in connection |
| 8 | with the Trump Corporation? |
| 9 | A. Vice-President of Development, Hudson Valley |
| 10 | Region. |
| 11 | The concentration of my duties at this time is |
| 12 | the completion of the approval process for Seven |
| 13 | Springs, as well as other tasks involving development |
| 14 | activities in the lower New York, Hudson Valley region. |
| 15 | Q. Now, what, in the briefest of terms, what is |
| 16 | your background and you may, for my purposes, confine it |
| 17 | to your background, in relation to the duties you were |
| 18 | called upon to do with the Seven Springs project. |
| 19 | A. I have a bachelors from Columbia University and |
| 20 | Master's Degree in urban planning, Columbia University |
| 21 | School of Architecture. |
| 22 | I've had a fairly lengthy career in general and |
| 23 | private consulting, development, management of |
| 24 | litigation and both executive positions and construction |
| 25 | through all phases, shelter industry. |
| | 8/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | Q. How long have you been with the Trump agency? |
| 3 | A. Six and-a-half years. |
| 4 | Q. What is it, I'll call it the Seven Springs |
| 5 | project. What is it? |
| 6 | A. The Seven Springs project is a tract of |
| 7 | approximately 230 acres located in three adjacent towns; |
| 8 | Bedford, North Castle, New Castle, which at the present |
| 9 | time in Bedford has preliminary subdivision approval and |
| 10 | we are seeking approval under the State Environment |
| 11 | Quality Review Act and subsequent subdivision approval |
| 12 | for North Castle and New Castle. |
| 13 | Q. Now, the subject matter of this proceeding is |
| 14 | the amount of a bond. |
| 15 | For what portion of the project is it your |
| 16 | understanding that that addresses? |
| 17 | A. The North Castle portion, its affect on the |
| 18 | other tracts making up the entire parcel. |
| 19 | Q. What are your duties in connection with the |
| 20 | Trump Organization relative to, let us say the North |
| 21 | Castle and Bedford properties? |
| 22 | A. I act as the urban planner coordinating the |
| 23 | effort, seeking both SEQRA approval and subdivision |
| 24 | approval and as the connective in the field managing |
| 25 | consultants and carrying on communication and |
| | 8/22/11 |

1 H. GOLDMAN - DIRECT - MR. COHN 2 negotiations with the governmental bodies involved in 3 that approval. 4 What type of contact do you have with the Q. 5 governmental bodies? 6 I have frequent contact with each of the three Α. 7 divisions. I usually approach discussions to assure 8 carrying out all the approval steps, including public 9 hearings. 10 Q. What is the type of development that is 11 projected for all of these projects? 12 MR. BENOWICH: Objection. 13 THE COURT: I'm sustaining at this 14 point. 15 Proceed.

| 16 | Q. What's being built or intended to be built |
|----|---|
| 17 | there? |
| 18 | MR. BENOWICH: Objection. |
| 19 | THE COURT: That might have some |
| 20 | bearing. |
| 21 | MR. BENOWICH: My question is to the |
| 22 | breadth of it. |
| 23 | Counsel has already elicited that there |
| 24 | are three towns. One project already has |
| 25 | approval, so I think in fairness to today's |
| | 8/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | hearing and my client, the question of what's been |
| 3 | approved and what isn't is a big difference. If |
| 4 | he asks generally what's going to be built, he has |
| 5 | something approved and something not. |
| 6 | THE COURT: I'll allow. |
| 7 | Proceed. |
| 8 | A. Residential. High-end residential, |
| 9 | single-family dwellings. |
| 10 | Q. In relation to those single-family dwellings, |
| 11 | what do you do in connection with the governmental |
| 12 | bodies? |
| 13 | MR. BENOWICH: Objection. |
| 14 | THE COURT: I'll allow it. |
| 15 | MR. COHN: Judge said you can answer. |
| 16 | A. We go through the process as mandated by the |
| 17 | State of New York to indicate that the project we will |
| 18 | build, regardless of its nature, will have no adverse |
| 1 9 | impact on the environment. |
| 20 | And we then go ahead to offer specific plans and |
| 21 | evidence that the subdivisions will comply also in all |
| 22 | respects with town codes. |
| 23 | Q. In connection withdrawn. |
| 24 | The North Castle project you indicated the |
| 25 | Bedford project has been approved. How many homes have |
| | |

1 H. GOLDMAN - DIRECT - MR. COHN 2 been approved there? 3 Nine. Α. 4 How many homes are planned for the North Castle Q. 5 project? 6 MR. BENOWICH: Objection. 7 THE COURT: I'm allowing it. 8 Α. Our present thinking is seven. 9 Now, can the project proceed with the present Q. 10 stay in place? 11 Α. No. 12 MR. BENOWICH: Objection. 13 THE COURT: That's valid. 14 Why can't it proceed? Q. 15 The most fundamental reason is that the Town of Α.

| 16 | North Castle has indicated on several occasions that |
|----|--|
| 17 | they will not accept the resumption of the SEQRA process |
| 18 | while the stay is in place. |
| 19 | MR. BENOWICH: Move to strike as |
| 20 | hearsay. |
| 21 | THE COURT: Sustained. Strike that from |
| 22 | the record. |
| 23 | Q. Have you attempted to submit documents to the |
| 24 | town in connection with ongoing |
| 25 | THE COURT: Don't say town, Town of. |
| | 8/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | MR. COHN: Thank you, your Honor. |
| 3 | Q. The Town of North Castle. What, if any what |
| 4 | if any impediment to going forward have you personally, |
| 5 | in your capacity, experienced by virtue of a stay being |
| 6 | in place on this property, the North Castle property? |
| 7 | MR. BENOWICH: Objection, your Honor. |
| 8 | THE COURT: Overruled. I'm allowing the |
| 9 | question to be answered. |
| 10 | A. I have in several meetings offered to resume the |
| 11 | SEQRA process and the town supervisor, town attorney and |
| 12 | director of planning have refused to accept those |
| 13 | documents, pending the release of the restraining order. |
| 14 | Q. What can't you do? |
| 15 | A. I'm sorry, I don't understand. |
| 16 | Q. By virtue of the action of not accepting the |
| 17 | documents, not going forward, what can you not do in |
| 18 | connection with this project, this North Castle project, |
| 19 | that you could do if the stay were not in place? |
| 20 | MR. BENOWICH: Objection. |
| 21 | THE COURT: I'm sustaining the |
| 22 | objection. You can pursue the line of |
| 23 | questioning. |
| 24 | It seems to be a convoluted, |
| 25 | multifaceted question. Two simple questions. |
| | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | Can you build nine homes in Bedford, as |
| 3 | a result of the stay in place. |
| 4 | THE WITNESS: In Bedford? Yes, sir. |
| 5 | MR. COHN: We have good approval there. |
| 6 | THE COURT: Excuse me. Now we have |
| 7 | approvals, but pursuant to this witness, can you |
| 8 | go ahead and build if you want. |
| 9 | Q. Let's go to North Castle with the seven homes, |
| 10 | the subject of this proceeding. |
| 11 | Can you build the seven homes? |
| 12 | A. No. |
| 13 | Q. Why? |
| 14 | THE COURT: No access at this point |
| 15 | until this issue of easement is resolved. Pretty |
| 16 | straightforward. |
| 17 | THE WITNESS: Thank you, sir. |
| 18 | Q. The Court used the term access. How, if at all, |
| 19 | does this stay affect access to the property? |
| 20 | MR. BENOWICH: Objection. The best |
| 21 | evidence of this is the Appellate Division's |
| 22 | injunction. |
| 23 | And the Appellate Division, with all |
| 24 | respect to your Honor's characterization, didn't |
| 25 | restrict access, restricts the use of motor |
| | 8/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | vehicles and heavy equipment on my client's land. |
| 3 | THE COURT: The language is different |
| 4 | but the effect is the same. |
| 5 | MR. BENOWICH: May or may not be. |
| 6 | We take exception to that, your Honor, |
| 7 | because we'll make that clear on cross. |
| 8 | Q. I'm going to adopt the exact terminology Mr. |
| 9 | Benowich just used. |
| 10 | How does the restriction of heavy equipment |
| 11 | affect the ongoing nature of the project? |
| 12 | A. We have no ability to bring on the equipment and |
| 13 | carry out the studies that are mandated under SEQRA. We |
| 14 | do not have access to be able to grade and design the |
| 15 | roads that will be the road access to the property. |
| 16 | Q. Now, are there structures on the North Castle |
| 17 | property? |
| 18 | A. Yes. |
| 19 | Q. How many structures? |
| 20 | A. Approximately two or three. |
| 21 | Q. Would you briefly describe the largest |
| 22 | structure? |
| 23 | THE COURT: What's the relevancy? |
| 24 | MR. COHN: Maintenance, heat, light. |
| 25 | All expenses that are coming in for structures |
| | 8/22/11 |

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| ł | H. GOLDMAN - DIRECT - MR. COHN |
| 2 | that have to be maintained during the period of |
| 3 | time that the stay is in place. |
| 4 | THE COURT: Suppose the stay wasn't in |
| 5 | place, would it still be maintained? |
| 6 | MR. COHN: They would still be |
| 7 | maintained, your Honor, but they would not be |
| 8 | maintained for the longer period of time that the |
| 9 | stay is in place. |
| 10 | THE COURT: It's somewhat speculative. |
| 11 | MR. COHN: We would be building our |
| 12 | project. |
| 13 | MR. BENOWICH: Your Honor, not only is |
| 14 | it speculative, it assumes the only way they can |
| 15 | maintain this structure is by crossing my road. |

| 16 | If they have been maintaining it during the time |
|----|---|
| 17 | that the preliminary injunction was in effect, |
| 18 | they are either in contempt or they found another |
| 19 | way to do it. |
| 20 | THE COURT: Sustained. The issue of the |
| 21 | structures is not relevant. |
| 22 | You have the Court's ruling. Proceed. |
| 23 | MR. COHN: May I inquire further? |
| 24 | Q. Are you buying fuel for these places? |
| 25 | A. Yes. |
| | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
|----|---|
| 2 | MR. BENOWICH: Objection. |
| 3 | THE COURT: Same thing. Whether you are |
| 4 | buying fuel, providing heat, providing light, |
| 5 | providing garbage collection, providing cutting |
| 6 | lawns. |
| 7 | It is not relevant with regard to the |
| 8 | issue of what's the amount of bond to be posted. |
| 9 | I'm foreclosing all questions with |
| 10 | regard to that issue. You have an exception to my |
| 11 | ruling. |
| 12 | Proceed, Mr. Cohn. |
| 13 | Q. What type of expenses as far as you're |
| 14 | concerned, what type of expenses are being paid to |
| 15 | maintain the property that would ordinarily not, that |
| 16 | would be that would be shortened if in fact the |
| 17 | development could be could continue without a stay? |
| 18 | MR. BENOWICH: Objection. |
| 19 | THE COURT: I'm allowing it. |
| 20 | A. The intent is to develop it as a single gated |
| 21 | community. The fact that it is located in three |
| 22 | separate political districts to us has no meaning, |
| 23 | because we have it as one project to be built and |
| 24 | marketed as a whole. |
| 25 | We have very heavy maintenance expenses in the |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | Bedford portion which are now entirely a waste, because |
| 3 | although we could theoretically build Bedford by itself, |
| 4 | commercially that would be catastrophic. |
| 5 | Q. What about the property at issue? |
| 6 | MR. BENOWICH: Your Honor |
| 7 | THE COURT: One minute. |
| 8 | MR. BENOWICH: I move to strike all of |
| 9 | this. None were directed to North Castle. It's |
| 10 | all Bedford, with |
| 11 | THE COURT: With regard to whether or |
| 12 | not there is additional expenses on the Bedford |
| 13 | property, that's not relevant. You may choose not |
| 14 | to go forward. That's a decision that you make. |
| 15 | I don't agree with the witness it will |
| 16 | be a marketing catastrophe. Why would it be? You |
| 17 | have nine homes you can build. Start doing your |
| 18 | development, build and sell. It will take you two |
| 19 | or three years any way to cut the roads and put |
| 20 | utilities in and, you know, subdivide the property |
| 21 | and build these supposedly high end residential |
| 22 | properties. |
| 23 | I'm sustaining. |
| 24 | Proceed, Mr. Cohn. |
| 25 | Q. What's happening in North Castle, sir, in |
| ļ | 8/22/118/22/11 |
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1 H. GOLDMAN - DIRECT - MR. COHN 2 connection with -- how does the delay affect North 3 Castle? 4 What expenses, categories, not amounts, what 5 expenses in the most general of terms, to continue, by 6 virtue of the stay, which otherwise would be curtailed 7 or shortened if the stay wasn't there and you could go 8 in, do the work and make the applications? 9 MR. BENOWICH: Objection. 10 THE COURT: I'm allowing it. 11 All of the corporate expenses that are involved Α. 12 with owning and maintaining, in the nature of security 13 of the property, including the SEQRA application, since 14 the SEQRA application is pending, that we have to 15 maintain the property undisturbed, so everything that

| - • | maintain the property analytained, be creifening that |
|-----|--|
| 16 | the Trump Organization, Seven Springs spends on the |
| 17 | mortgage, insurance, maintenance of the property itself, |
| 18 | is increased by the delay in completing the approval |
| 19 | process. |
| 20 | Q. In relation to the structure |
| 21 | MR. COHN: Your Honor, may I inquire? I |
| 22 | don't mean to quarrel with the Court's |
| 23 | instructions. |
| 24 | THE COURT: You would never quarrel with |
| 25 | the Court. |
| | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | MR. COHN: Never. |
| 3 | Q. For instance, describe the structure, describe |
| 4 | the structure on the subject property. |
| 5 | MR. BENOWICH: Objection. |
| 6 | Q. What's the largest |
| 7 | THE COURT: I'm allowing. I sustained |
| 8 | an objection to that exact same question ten |
| 9 | minutes ago. What is the largest structure? |
| 10 | In my mind this is all irrelevant, but |
| 11 | ask the question, what's the largest structure. |
| 12 | A. The largest structure on the North Castle |
| 13 | property is known as the Heinz Mansion, a historical |
| 14 | structure of approximately |
| 15 | THE COURT: Is it currently occupied? |
| 16 | Currently occupied or vacant? |
| 17 | THE WITNESS: Vacant. |
| 18 | THE COURT: Is the plan to continue that |
| 19 | mansion to be there or knocked down, once you |
| 20 | start developing? |
| 21 | THE WITNESS: Cannot be knocked down, |
| 22 | starred structure. |
| 23 | THE COURT: What's going to change? |
| 24 | It's there, you're keeping it, you can't knock it |
| 25 | down. You'll continue to keep it. |
| | 8/22/11 |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
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| 2 | What's changing? What's the difference |
| 3 | between now and a year from now or six months from |
| 4 | now? If you had access, what would you do |
| 5 | differently, rent? |
| 6 | THE WITNESS: Sell it. Revenue is the |
| 7 | difference. Now we have the maintenance. |
| 8 | THE COURT: Sell it for what, a |
| 9 | residence, or just somebody is going to buy, own a |
| 10 | mansion in North Castle? |
| 11 | THE WITNESS: Residence. |
| 12 | THE COURT: It's not occupied as a |
| 13 | residence, you're not renting? |
| 14 | THE WITNESS: No revenue. |
| 15 | THE COURT: Proceed, please. |
| 16 | Q. Is it heated? |
| 17 | A. Yes. |
| 18 | Q. And maintained? |
| 19 | A. And air conditioned. |
| 20 | THE COURT: Turn the water off, drain |
| 21 | the pipes, save the heating bill. |
| 22 | Move on, Mr. Cohn. |
| 23 | Q. What is the second largest what is the second |
| 24 | largest structure? |
| 25 | A. On North Castle? |
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| 1 | H. GOLDMAN - DIRECT - MR. COHN |
| 2 | Q. Yes. |
| 3 | A. The other structure would be security gates. |
| 4 | THE COURT: Security gates? |
| 5 | THE WITNESS: Yeah. |
| 6 | THE COURT: Power operated or manually |
| 7 | operated gates? |
| 8 | THE WITNESS: Manually operated gates. |
| 9 | THE COURT: What do you mean? You have |
| 10 | to scrape them, paint them? How do you maintain |
| 11 | gates, is that what you're talking about? |
| 12 | THE WITNESS: One case, making sure they |
| 13 | are there and maintaining them and keeping the |
| 14 | locks intact. |
| 15 | THE COURT: Ballpark? |

| 25 | MR. COHN: Heinz, like ketchup. |
|----|---|
| 24 | Where is the what? |
| 23 | THE COURT: I didn't hear the question. |
| 22 | Q. Where is the Heinz property? |
| 21 | THE COURT: Move on from these gates. |
| 20 | of North Castle. |
| 19 | years ago the gates were the property of the Town |
| 18 | THE WITNESS: No, because up until two |
| 17 | THE COURT: Any problems with locks? |
| 16 | THE WITNESS: 1995, 1996. |
| | |

| 1 | H. GOLDMAN - DIRECT - MR. COHN |
|----|---|
| 2 | Q. Where is the Heinz property? |
| 3 | A. In Bedford. |
| 4 | Q. Is there someone to maintain these structures? |
| 5 | A. Yes. |
| 6 | Q. Who? |
| 7 | A. Ms. Debbie Stellio, (ph.), who is in court |
| 8 | today, the general manager, who supervised on all |
| 9 | 230 acres and she has the appropriate staff to do the |
| 10 | labor involved in that task. |
| 11 | Q. Where are these functions carried out, at the |
| 12 | property? |
| 13 | A. At the property. |
| 14 | Q. Any other locations the property is maintained? |
| 15 | A. All the costs maintained in the property are |

| | A. ALL CHE COSES MAINCAINED IN CHE Property die |
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| 16 | paid from the central office. |
| 17 | Q. Where is the administration of the property |
| 18 | carried out? |
| 19 | MR. BENOWICH: Objection. |
| 20 | THE COURT: I'll allow. |
| 21 | A. 725 Fifth Avenue. |
| 22 | Q. Manhattan? |
| 23 | A. Manhattan. |
| 24 | Q. Is the project forming the subject matter of |
| 25 | this proceeding, the project itself, is it landlocked? |
| | |

| 1 | |
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| 1 | H. GOLDMAN - DIRECT - MR. COHN |
| 2 | MR. BENOWICH: Objection. |
| 3 | A. Yes. |
| 4 | MR. BENOWICH: I don't understand. |
| 5 | THE COURT: Project or seven homes in |
| 6 | North Castle? |
| 7 | MR. BENOWICH: Seven homes. |
| 8 | MR. COHN: Seven homes in North Castle, |
| 9 | that's what we're discussing, the project itself, |
| 10 | the ongoing nature of the project. |
| 11 | THE COURT: Excuse me. |
| 12 | MR. COHN: We're not talking about the |
| 13 | property, I'm talking about the project, can it |
| 14 | proceed? Let me clarify. |
| 15 | THE COURT: Limit your question to this |
| 16 | project in North Castle, landlocked. |
| 17 | Q. Is the project in North Castle landlocked? |
| 18 | A. Yes. |
| 19 | Q. Why? |
| 20 | A. Because there is no other access to that |
| 21 | project, except by what we call Old Oregon Road, the |
| 22 | road that was shown clearly in the 1973 town map with |
| 23 | the listing. For 16 years we carefully examined all |
| 24 | possible alternatives. |
| 25 | MR. BENOWICH: Objection, your Honor. |
| | 8/22/11 |
| | |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | THE COURT: Sustained. It's landlocked, |
| 3 | that's what litigation is all about. |
| 4 | You need access to the property over |
| 5 | this Oregon Road. Nature Conservancy feels you |
| 6 | should not have access. That's where it's at. |
| 7 | Now it's up to the people at 45 Monroe Place. |
| 8 | No further questions? |
| 9 | MR. BENOWICH: I do. |
| 10 | THE COURT: Mr. Benowich? |
| 11 | MR. BENOWICH: Thank you, your Honor. |
| 12 | CROSS-EXAMINATION |
| 13 | BY MR. BENOWICH: |
| 14 | Q. Mr. Goldman, when this lawsuit was started in |
| 15 | 2006 were you working for the Trump Organization? |
| 16 | A. Yes. |
| 17 | Q. At that time did the North Castle parcel owned |
| 18 | by Seven Springs have access to what's called Oregon |
| 19 | Road to the north? |
| 20 | A. Yes. |
| 21 | Q. What happened after the lawsuit was commenced to |
| 22 | make this parcel landlocked, in your words? |
| 23 | A. Excuse me, let me amend my answer. |
| 24 | Q. Excuse me, can you answer my question, sir? |
| 25 | A. What happened before the lawsuit was commenced? |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
|----|---|
| 2 | Q. What was it that happened? |
| 3 | A. The Town of Bedford, based on its subdivision |
| 4 | regulations, stipulated in its approval process that we |
| 5 | could not have access to the North Castle portion |
| 6 | through the Bedford portion and that the private road |
| 7 | which was connecting to Oregon Road would be stopped at |
| 8 | the Bedford border. |
| 9 | In fact, Bedford insisted we did not have the |
| 10 | right to cross over that portion of Oregon Road. |
| 11 | Q. That's another suit in this case. Bedford |
| 12 | insisted that they have sort of what they call a |
| 13 | pertinent green belt to prevent traffic between Bedford |
| 14 | and North Castle as a condition of your organization |
| 15 | moving forward with the Bedford plan; isn't that right? |
| 16 | A. No. The condition was that until we clarified |
| 17 | our right to use Oregon Road they would forbid or |
| 18 | prevent through traffic. |
| 19 | Q. They insisted it would be covenant in the land |
| 20 | and in the deeds, isn't that right, that you would not |
| 21 | have access between the two towns; isn't that right, |
| 22 | sir? |
| 23 | A. No. |
| 24 | Q. No? Are you familiar with the Town of Bedford |
| 25 | environmental impact statement? |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
|----|--|
| 2 | A. Thoroughly. |
| 3 | THE COURT: One person has to speak so |
| 4 | the Court Reporter can track what's going on. |
| 5 | MR. COHN: Your Honor, counsel is |
| 6 | cutting the witness' answer off. |
| 7 | Until the answer become inappropriate in |
| 8 | accordance with whatever the Court rules in that |
| 9 | regard, I ask that the witness be allowed to |
| 10 | answer. |
| 11 | THE COURT: Let him finish his answer. |
| 12 | MR. BENOWICH: Yes, your Honor. |
| 13 | THE COURT: If it's not responsive or |
| 14 | should be stricken, you can make an application. |

| 15 | MR. COHN: Can the witness finish his |
|----|---|
| 16 | answer? |
| 17 | THE COURT: What question is unanswered? |
| 18 | MR. BENOWICH: I wasn't we went |
| 19 | forward. |
| 20 | THE COURT: I'm asking the witness. |
| 21 | Was there an unanswered question? |
| 22 | THE WITNESS: Yes. The question that's |
| 23 | unanswered is the discussions the Town of Bedford |
| 24 | continued. |
| 25 | THE COURT: There was no question about |
| | 8/22/11 |
| | |

| H. GOLDMAN - CROSS - MR. BENOWICH discussions. The question was, are you familiar with the findings of the Town of Bedford? THE WITNESS: Yes. THE COURT: You answered thoroughly. Now, if he wants to know the extent of your knowledge, he'll ask you more questions. Q. The Trump Organization on behalf of Seven springs decided to go forward and obtain preliminary subdivision approval of the plan in Bedford; isn't that right? A. Yes. Q. And as a consequence of that there will be a bar, barrier between traffic, of traffic between North Castle and Bedford on Oregon Road; right? A. Yes. Mow, you said early in your testimony that it's because of the stay or injunction issued by the Appellate Division that you can't take heavy equipment on the disputed portion of Oregon Road; isn't that right, that's what you said earlier today? A. Yes. Q. Didn't you give a different statement when you gave an affidavit to the Appellate Division on the | 2 discussions. The question was, are you familiar 3 with the findings of the Town of Bedford? 4 THE WITNESS: Yes. 5 THE COURT: You answered thoroughly. | |
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| with the findings of the Town of Bedford? THE WITNESS: Yes. THE COURT: You answered thoroughly. Now, if he wants to know the extent of your knowledge, he'll ask you more questions. Q. The Trump Organization on behalf of Seven Springs decided to go forward and obtain preliminary subdivision approval of the plan in Bedford; isn't that right? A. Yes. Q. And as a consequence of that there will be a bar, barrier between traffic, of traffic between North Castle and Bedford on Oregon Road; right? A. Yes. Q. Thank you. Now, you said early in your testimony that it's because of the stay or injunction issued by the Appellate Division that you can't take heavy equipment on the disputed portion of Oregon Road; isn't that right, that's what you said earlier today? A. Yes. Q. Didn't you give a different statement when you | 3 with the findings of the Town of Bedford? 4 THE WITNESS: Yes. 5 THE COURT: You answered thoroughly. | |
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| 15 Castle and Bedford on Oregon Road; right? 16 A. Yes. 17 Q. Thank you. 18 Now, you said early in your testimony that it's 19 because of the stay or injunction issued by the 20 Appellate Division that you can't take heavy equipment 21 on the disputed portion of Oregon Road; isn't that 22 right, that's what you said earlier today? 23 A. Yes. 24 Q. Didn't you give a different statement when you | Q. And as a consequence of that there will be a | |
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| 21 on the disputed portion of Oregon Road; isn't that 22 right, that's what you said earlier today? 23 A. Yes. 24 Q. Didn't you give a different statement when you | 19 because of the stay or injunction issued by the | |
| 22 right, that's what you said earlier today? 23 A. Yes. 24 Q. Didn't you give a different statement when you | 20 Appellate Division that you can't take heavy equipment | |
| 23 A. Yes. 24 Q. Didn't you give a different statement when you | 21 on the disputed portion of Oregon Road; isn't that | |
| Q. Didn't you give a different statement when you | 22 right, that's what you said earlier today? | |
| | 23 A. Yes. | |
| 25 gave an affidavit to the Appellate Division on the | Q. Didn't you give a different statement when you | |
| | 25 gave an affidavit to the Appellate Division on the | |
| 8/22/11 | | |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | hearing in connection with the hearing on the injunction |
| 3 | motion? |
| 4 | A. I don't know what you are referring to. |
| 5 | Q. Do you remember giving an affidavit and stating |
| 6 | in words or substance there that the Court didn't have |
| 7 | to worry about you using heavy equipment on the disputed |
| 8 | portion, because at the request of the Town of North |
| 9 | Castle you wouldn't be using such equipment? |
| 10 | Do you remember giving that statement in a sworn |
| 11 | affidavit? |
| 12 | A. Yes. |
| 13 | Q. How is it that something the town insisted you |
| 14 | not do, you are prevented from doing because of a later |
| 15 | Court Order? |

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| 16 | A. I don't understand the question. Sounds like |
|----|--|
| 17 | you're referring to two different conversations. |
| 18 | Q. I did. In one of them you gave an affidavit |
| 19 | which you said why don't I just show it to you? |
| 20 | MR. BENOWICH: Your Honor, I apologize. |
| 21 | I have only one copy for the witness. Mine is a |
| 22 | little marked up, but |
| 23 | THE COURT: Are you familiar with that |
| 24 | document, Mr. Cohn? I'm sure you are, it's a |
| 25 | submission on appeal. |
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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | MR. COHN: I am. Maybe could I stand |
| 3 | next to the witness without communicating and read |
| 4 | it? |
| 5 | MR. BENOWICH: Judge. |
| 6 | THE COURT: No need for that. Show it |
| 7 | to the witness. |
| 8 | THE COURT OFFICER: Have it marked? |
| 9 | THE COURT: No. Show it to the witness. |
| 10 | It may eventually be marked. |
| 11 | A. What part of this are you referring to? |
| 12 | Q. Would you take a look and see if that's your |
| 13 | signature at the back on page eight? |
| 14 | A. Yes. |
| 15 | Q. This is your affidavit? |
| 16 | A. Yes. |
| 17 | Q. Do you remember giving this statement, paragraph |
| 18 | 6, the third sentence? Do you see? |
| 19 | A. It was agreed, assuming there is no preliminary |
| 20 | injunction preventing such an action, Seven Springs |
| 21 | clear a pathway into its land with the least disturbance |
| 22 | of the land. At the request of the town we will not be |
| 23 | using heavy equipment. |
| 24 | Q. Now, it's that last sentence I want to focus |
| 25 | your attention on. This affidavit was given June 29th, |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | do you remember that? |
| 3 | A. Yes. |
| 4 | Q. That's before the Appellate Division issues its |
| 5 | order granting an injunction; right? |
| 6 | A. Yes. |
| 7 | Q. So, as of the end of June you had discussions |
| 8 | with the Town of North Castle; is that correct? |
| 9 | A. Yes. |
| 10 | Q. And in those conversations you agreed you would |
| 11 | not be using heavy equipment to do whatever you would be |
| 12 | doing on the disputed portion of Oregon Road; is that |
| 13 | correct? |
| 14 | A. Yes, it is. |
| 15 | Q. What happened afterwards to change that? |
| 16 | A. Nothing, except |
| 17 | Q. So then |
| 18 | MR. COHN: Wait. He's not finished. |
| 19 | THE COURT: No. What happened? |
| 20 | Nothing. That's the answer. |
| 21 | MR. BENOWICH: He can't give a speech. |
| 22 | Q. As a result of your conversation with the town, |
| 23 | you on behalf of the Plaintiff, Seven Springs, had an |
| 24 | agreement that you would not be using heavy equipment on |
| 25 | the disputed portion of Oregon Road; right? |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | A. No. |
| 3 | Q. Well, I don't know what your statement means. |
| 4 | A. It's not as a result of a discussion, it's the |
| 5 | rules of the SEQRA process. That's why we agreed. |
| 6 | Q. Why is it at the request of the town you |
| 7 | wouldn't be using the road? Why didn't you say that |
| 8 | under SEQRA we won't or we can't? |
| 9 | A. Because I would have preferred to use heavy |
| 10 | equipment for economic reasons and the town reminded me |
| 11 | that until SEQRA was finished we could do nothing but |
| 12 | clear the road and pave it to the point where we had at |
| 13 | least emergency access and I said, you're right and I |
| 14 | agreed. |
| 15 | Q. Precisely my point. It has nothing to do with |
| 16 | the injunction embargo on your ability to use heavy |
| 17 | equipment, but a preexisting condition because of SEQRA |
| 18 | and the stage of whatever planning and applications you |
| 19 | had on the North Castle project? |
| 20 | A. You're trying to confuse the Court by defining |
| 21 | heavy equipment. Your own terms. |
| 22 | Q. I'm not. You are the one that used it in your |
| 23 | affidavit and your testimony today, I submit. |
| 24 | A. Heavy equipment I am I'm confused. |
| 25 | THE COURT: Don't argue. Move on, |
| | |

| H. GOLDMAN - CROSS - MR. BENOWICH please. Q. You said here, plain English, not generating revenue there? A. That's correct. Q. Is the property for sale? |
|---|
| 3 Q. You said here, plain English, not generating 4 revenue there? 5 A. That's correct. |
| 4 revenue there? 5 A. That's correct. |
| 5 A. That's correct. |
| |
| 6 O To the property for sole? |
| 6 Q. Is the property for sale? |
| 7 A. We are not actively marketing. It will be for |
| 8 sale. |
| 9 Q. You don't have a contract to sell it, do you? |
| 10 A. Not to my knowledge. |
| Q. Does anybody to your knowledge reside part-time, |
| 12 full-time, weekends at the mansion? |
| A. The building is set aside for Mr. Trump's use. |
| 14 He resides there, if he so choses. |
| Q. It is occupied and may be used by Mr. Trump, if |
| 16 he so chooses? |
| A. If he so chooses. |
| 18 Q. So when you said that no one is living there, |
| 19 what did you mean? |
| 20 A. I mean no one is living there. No one has |
| 21 occupied the house as their primary dwelling. |
| Q. You didn't say that in response to Mr. Cohn, |
| 23 that it was the primary residence or not. The fact is |
| 24 it's used by Mr. Trump if he desires? |
| 25 A. If he desires. At the present time he does not. |
| 8/22/11 |

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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | Q. How many homes does he have? |
| 3 | MR. COHN: Objection. |
| 4 | THE COURT: Sustained. |
| 5 | Q. Do you know if any of his sons lives there on |
| 6 | occasion? |
| 7 | MR. COHN: Objection. |
| 8 | THE COURT: It goes to the issue whether |
| 9 | this mansion is being used. |
| 10 | A. They do not live in that mansion, no. |
| 11 | Q. Do you know if any of his sons uses it at any |
| 12 | time? |
| 13 | A. Never. It's locked and can't be used by them. |
| 14 | Q. Not even if Mr. Trump says they can use the |
| 15 | house? |
| 16 | MR. COHN: Objection. |
| 17 | A. He says they cannot. |
| 18 | THE COURT: Move on. As far as he knows |
| 19 | it's not being used by any children. Move on. |
| 20 | Q. Now, after this action was commenced and the |
| 21 | complaint was initially dismissed, Seven Springs |
| 22 | organization withdrew the application it had pending in |
| 23 | North Castle; isn't that correct? |
| 24 | A. No. |
| 25 | Q. No? |
| | 8/22/11 |

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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | A. No. We abated it. We did not withdraw it. |
| 3 | MR. BENOWICH: If I may ask this be |
| 4 | marked? |
| 5 | Would you mark this as Defendant's |
| 6 | Exhibit A, please, letter dated August 10th from |
| 7 | Mr. Cohn's predecessor. |
| 8 | MR. COHN: Give them the year. |
| 9 | (Defendant's Exhibit A, one-page copy of |
| 10 | a letter to the North Castle Planning Board from |
| 11 | Mark Weingarten, dated 8/10/07, marked for |
| 12 | identification.) |
| 13 | Q. Mr. Goldman, have you ever seen Defendant's A |
| 14 | before? |
| 15 | A. No. |

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| 16 | Q. Would you look down at the cc, especially the |
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| 17 | one from the bottom? |
| 18 | A. Um-hmm. |
| 19 | Q. Do you see that? |
| 20 | A. Yes. |
| 21 | Q. Your name appear on that? |
| 22 | A. Yes. |
| 23 | Q. What's the law firm? |
| 24 | A. DeBello, Donnellan and Weingarten, Seven |
| 25 | Springs' counsel in its application to the planning |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
|----|---|
| 2 | board prior to Mr. Cohn's. It was a mistake, |
| 3 | inappropriate. That is why we fired them. |
| 4 | THE COURT: Excuse me. Answer the |
| 5 | question. |
| 6 | Did he say why did you fire them? He |
| 7 | didn't. |
| 8 | Ask that question again. Listen to the |
| 9 | question. If your counsel determines there needs |
| 10 | to be a follow up on any questions Mr. Benowich |
| 11 | asks, he will be given that opportunity so we can |
| 12 | move forward here. |
| 13 | Read the question back to the witness. |
| 14 | (Reporter read back as requested.) |
| 15 | Q. Let me rephrase. |
| 16 | Before Mr. Cohn was counsel for Seven Springs, |
| 17 | was the DeBello, Donnellan firm Seven Springs counsel |
| 18 | for this lawsuit? |
| 19 | A. Yes. |
| 20 | Q. Also the Seven Springs counsel in dealing with |
| 21 | North Castle? |
| 22 | A. Yes. |
| 23 | MR. BENOWICH: Your Honor, I ask that |
| 24 | Exhibit A be received in evidence. |
| 25 | THE COURT: Mr. Cohn? |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | MR. COHN: No objection. |
| 3 | THE COURT: Have Defendant's A marked in |
| 4 | evidence . |
| 5 | (Defendant's Exhibit A received in |
| 6 | evidence.) |
| 7 | Q. Would you just read the second sentence of the |
| 8 | letter, sir? |
| 9 | A. Our client asked us to advise the planning board |
| 10 | they are hereby withdrawing the application made to the |
| 11 | planning board for approval of the subdivision of the |
| 12 | portion of the property that is within the Town of North |
| 13 | Castle. |
| 14 | Q. Thank you. |
| 15 | Did Seven Springs ever submit or resubmit a plan |
| 16 | for approval to North Castle? |
| 17 | A. The plan is still in submission. |
| 18 | Q. Have you submitted or resubmitted the plan for |
| 19 | North Castle's approval since August 10, 2007, sir? |
| 20 | A. No. The plan that was in submission at that |
| 21 | time is still pending. |
| 22 | Q. Even though it was withdrawn? |
| 23 | A. It was not withdrawn, the attorney made an |
| 24 | error. |
| 25 | Q. Even though your lawyer wrote |
| - | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | A. No longer |
| 3 | MR. COHN: Objection, argumentative. |
| 4 | THE COURT: Look, you people are acting |
| 5 | like this is a matrimonial. This is a business |
| 6 | case. Act like professional business people or |
| 7 | I'll cut this hearing off and pick a number of my |
| 8 | own and you can go to Brooklyn and argue why I did |
| 9 | that. |
| 10 | Proceed, please. |
| 11 | Q. What applications has Seven Springs submitted to |
| 12 | North Castle since August 10, 2007? |
| 13 | A. We have not submitted any further application or |
| 14 | further processing under the application since the |
| 15 | restraining order was put in place. |
| 16 | Q. I didn't ask you that, sir. I asked you since |
| 17 | the date of the letter, which was August 10, 2007, a |
| 18 | little over four years ago? |
| 19 | A. We have not submitted any new material. |
| 20 | Q. And now, have you considered what will happen to |
| 21 | the North Castle project, as you loosely refer to it, if |
| 22 | the Appellate Division determines Seven Springs does not |
| 23 | have the rights over the disputed portions of Oregon |
| 24 | Road which you seek in this case? |
| 25 | A. Have I personally considered this? |
| | |

| 4 | |
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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | Q. Yes, sir. |
| 3 | A. NO. |
| 4 | Q. You haven't thought about what would happen if |
| 5 | you lose the appeal? |
| 6 | A. No. It's my firm conviction we'll win it. Why |
| 7 | would I consider otherwise? |
| 8 | Q. Have you had discussion to that effect with any |
| 9 | one at North Castle? |
| 10 | A. No. |
| 11 | Q. I see. All right. |
| 12 | What is it you would like to bring on the |
| 13 | disputed area of Oregon Road that you can't? |
| 14 | A. I'm not sure that I understand the question. |
| 15 | Q. What is it that you would like to bring onto |
| 16 | Oregon Road, the portion that is in dispute under the |
| 17 | injunction, that you are not able to do today? |
| 18 | A. At what time? |
| 19 | Q. Today, sir. |
| 20 | THE COURT: Your question is assuming |
| 21 | there is no injunction. Is that what you mean? |
| 22 | MR. BENOWICH: Yes. |
| 23 | Q. What is it you would like, I'll call it Oregon |
| 24 | Road, can we do that? |
| 25 | A. Yes. |
| | 8/22/11 |
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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | Q. What is it you would like to bring onto Oregon |
| 3 | Road that you can't because of the Appellate Division's |
| 4 | injunction? |
| 5 | A. Some people and perhaps a couple of small |
| 6 | bobcats to clear the road of vegetation and make it |
| 7 | possible to drive, shall I say, cars and four wheel |
| 8 | drive vehicles, so my engineers can do the studies and |
| 9 | surveys and engineering to design the road. |
| 10 | One of differences in the ongoing application is |
| 11 | that we have to design Oregon Road as a new road to the |
| 12 | DOT and town standards. |
| 13 | Q. Do you have the right to do that even under |
| 14 | Court's order if it's upheld on appeal? |
| 15 | A. I'm not a lawyer, I can't answer that. |
| 16 | Q. You seem to have great familiarity with SEQRA |
| 17 | and you testified to managing litigation, why are you |
| 18 | unaware what you can and can't do to the road so |
| 1 9 | essential to a project that you claim is stalled? |
| 20 | A. I don't know what your question is and I don't |
| 21 | know what that speech was. |
| 22 | Q. What's a bobcat? |
| 23 | A. A bobcat is a piece of equipment, small, light, |
| 24 | which accepts an attachment for grading. |
| 25 | THE COURT: Mini backhoe. |
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| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
| 2 | THE WITNESS: Excavation. |
| 3 | THE COURT: Mini backhoe. |
| 4 | THE WITNESS: Yes. |
| 5 | Q. You can have people walk up and down Oregon Road |
| 6 | now, can't you? |
| 7 | A. Yes. |
| 8 | Q. So other than not bringing a bobcat in to clear |
| 9 | the road, what can you not do? |
| 10 | A. I have not yet heard from my surveyor. We also |
| 11 | need a survey of the road and close out that survey as |
| 12 | part of the design. |
| 13 | Q. Hasn't he done a survey already? |
| 14 | A. Yes. He did a survey before the restraining |
| 15 | order. And I don't know by whom, but he did it and |
| 16 | twice his stakes and markers were torn up by someone. |
| 17 | Q. You don't know who? |
| 18 | A. No. I wasn't there. |
| 19 | Q. But you had a survey done. When was it done? |
| 20 | A. Part was done before I came with the company. |
| 21 | The other was done about five years ago. |
| 22 | Q. So you haven't had a survey done since what, |
| 23 | 2006? That's when the case was started, right? |
| 24 | A. Best of my knowledge. |
| 25 | Q. Have you had a survey done since the case was |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | started in May or June 2006? |
| 3 | A. I don't know. I don't remember that. |
| 4 | Q. You don't know or you don't remember one was |
| 5 | done? |
| 6 | A. Since I don't remember, I also do not know. |
| 7 | Q. You've been running this project since you came |
| 8 | into the firm, right? |
| 9 | A. Yes. |
| 10 | Q. How long would it take to clear Oregon Road in |
| 11 | order to do the surveys and studies that you want to do? |
| 12 | A. Depending what we found, might take from a |
| 13 | couple of weeks to several weeks. |
| 14 | Q. Now, the Court's decision was issued in May and |
| 15 | the injunction was issued in late June. |
| 16 | Did you take any steps before that injunction |
| 17 | was issued to do any of the things you say you're not |
| 18 | now free to do? |
| 19 | A. I don't know the question. |
| 20 | Q. Did you do anything between the time of Judge |
| 21 | Nicolai's decision and the time the Appellate Division |
| 22 | issued a temporary injunction, which you say you can't |
| 23 | now do because of the injunction? |
| 24 | MR. COHN: Objection. |
| 25 | THE COURT: I'll allow. |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | MR. COHN: May I? |
| 3 | THE COURT: Yes. |
| 4 | MR. COHN: Mr. Benowich miss spoke. |
| 5 | It's a highly technical aspect. If he changes his |
| 6 | question to judgment, instead of discussion. |
| 7 | THE COURT: Judgment entered? |
| 8 | MR. COHN: That's correct. |
| 9 | MR. BENOWICH: That's not my question. |
| 10 | MR. COHN: Well, okay. |
| 11 | Then I object to the question because on |
| 12 | the decision it was still, there was still Judge |
| 13 | Rory Bellantoni's |
| 14 | MR. BENOWICH: He can answer yes or no. |
| 15 | That's all it is. |
| 16 | THE COURT: I don't believe, Mr. |
| 17 | Benowich, that after the decision of the Court is |
| 18 | in play, that authorized these people to go on |
| 19 | there and start doing work the property. |
| 20 | MR. BENOWICH: I agree. That's the |
| 21 | position we took years ago. That's why we needed |
| 22 | an injunction. |
| 23 | I'm still free to ask him without |
| 24 | counsel saying why he did or he didn't. |
| 25 | THE COURT: You can't make an issue of |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | somebody not doing something when they haven't |
| 3 | been authorized to do it. |
| 4 | MR. BENOWICH: Then he was never free to |
| 5 | do it. The judgment wasn't entered until after |
| 6 | the injunction was issued. |
| 7 | THE COURT: Right. That's agreeable, I |
| 8 | accept that. |
| 9 | MR. BENOWICH: If that's your Honor's |
| 10 | point. |
| 11 | THE COURT: My position is, I'll put it |
| 12 | for the record, is that they are not entitled to |
| 13 | go on the land and do anything until there is a |
| 14 | judgment entered, because first he has to submit |
| 15 | judgment. The other side has an opportunity to |
| 16 | submit a counter judgment if they don't agree and |
| 17 | the Court has to decide what the judgment has to |
| 18 | be and the judgment is entered. And once it's |
| 19 | entered, the parties know where they have to go |
| 20 | from there. |
| 21 | Proceed. |
| 22 | Q. After the Judge's discussion about the judgment, |
| 23 | I'm speaking carefully, after the Judge's decision, did |
| 24 | you have a discussion with anyone representing North |
| 25 | Castle with respect to Seven Springs' intention to |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | proceed with anything in North Castle? |
| 3 | A. Yes. |
| 4 | Q. When was that and with whom did you speak? |
| 5 | A. I don't have a date. It was with the town |
| 6 | supervisor, town attorney and town director of planning. |
| 7 | Q. Can you tell me essentially what you told them? |
| 8 | A. I told them we would like to go ahead on the |
| 9 | basis of our victory in the Court below, which is |
| 10 | actually this Court, to clear the roadbed sufficient to |
| 11 | be able to begin the study we needed to do to resume |
| 12 | SEQRA. |
| 13 | Q. Your affidavit establishes that they either told |
| 14 | you or reminded you you weren't free to use heavy |
| 15 | equipment. |

| 16 | Did you understand the bobcat to be heavy |
|----|--|
| 17 | equipment for purposes of that discussion? |
| 18 | A. Absolutely not. We are talking about a D9 |
| 19 | caterpillar. |
| 20 | Q. You consider yourself, that is Seven Springs, is |
| 21 | free to use a bobcat, notwithstanding that decision? |
| 22 | A. So did they. |
| 23 | MR. BENOWICH: Move to strike, your |
| 24 | Honor. |
| 25 | THE COURT: That's fair. |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | |
| | Q. Who told you you could do that? |
| 3 | A. Town attorney, town supervisor, director of |
| 4 | planning. |
| 5 | Q. What else did they tell you? |
| 6 | A. They said in accordance with SEQRA we could not |
| 7 | or we should not make any significant alterations to the |
| 8 | profile of the land. Since we were working on a |
| 9 | preexisting roadbed, that's not a problem. |
| 10 | Q. I only asked what they told you, sir. |
| 11 | A. That's what they told me. |
| 12 | Q. Have you had discussions with North Castle since |
| 13 | the Appellate Division injunction has been entered? |
| 14 | A. No. |
| 15 | Q. Do know about it to your knowledge? |
| 16 | MR. COHN: Objection to what they know. |
| 17 | Q. To your knowledge? |
| 18 | THE COURT: I'll allow. |
| 19 | Q. Did you tell any of your correspondents at North |
| 20 | Castle about the injunction? |
| 21 | A. No. |
| 22 | Q. Why not? |
| 23 | A. Why would I do that? |
| 24 | Q. If you had a plan that was only withdrawn. |
| 25 | You recently had a discussion about proceeding |
| | 8/22/11 |

| 1 | H. GOLDMAN - CROSS - MR. BENOWICH |
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| 2 | under SEQRA. One might think you intended to pursue the |
| 3 | plan. If you were subject to injunction why wouldn't |
| 4 | you tell them I would like to, I can't? |
| 5 | A. Town attorney called me and said oh, my God. I |
| 6 | see I just got the injunction. |
| 7 | Q. Why was it that you were so caustic with me |
| 8 | about why would you call them when all you had to do was |
| 9 | say |
| 10 | THE COURT: Mr. Benowich, please. |
| 11 | Please. |
| 12 | MR. COHN: Thank you, your Honor. |
| 13 | Q. Who is the town attorney, Mr. Veroni (ph.)? |
| 14 | A. Roland Veroni (ph). |
| 15 | Q. What did you say? |
| 16 | A. He said he had no idea why it was that the |
| 17 | injunction was continued by the Appellate Division. |
| 18 | Q. What did he say? |
| 19 | A. I said, I know and he said is this hearsay if |
| 20 | I say what he said? |
| 21 | THE COURT: That's not up to you to |
| 22 | decide. |
| 23 | A. He said it was terrible thing. He didn't |
| 24 | understand why the Appellate Division did that and he |
| 25 | wished it hadn't happened, wished us good luck in |
| | 8/22/11 |

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| 1 | H. GOLDMAN - REDIRECT - MR. COHN |
| 2 | overturning it. |
| 3 | MR. BENOWICH: I have no further |
| 4 | questions. |
| 5 | THE COURT: Redirect? |
| 6 | MR. COHN: Thank you, your Honor. |
| 7 | REDIRECT EXAMINATION |
| 8 | BY MR. COHN: |
| 9 | Q. First of all, the significant alteration of the |
| 10 | land that you indicated could not be done, was that part |
| 11 | of the ongoing application? |
| 12 | A. Yes. |
| 13 | Q. In fact, was the application withdrawn or using |
| 14 | the term you used, was it temporarily abated? |
| 15 | MR. BENOWICH: Objection. |
| 16 | THE COURT: I'll allow he's leading the |
| 17 | witness, but I'll let him do it. |
| 18 | A. The answer is fairly conclusive. It was put in |
| 19 | abeyance and when we had our conversations with the |
| 20 | town, as far as settlement agreements, they agreed not |
| 21 | only that they would resume the process as it stood, but |
| 22 | that in accordance with the appropriate section of SEQRA |
| 23 | we will maintain and have the use of, full credit for |
| 24 | all of the 5,000 pages of data and studies that were in |
| 25 | place when we abated the study and |
| | 8/22/11 |

| 1 | H. GOLDMAN - REDIRECT - MR. COHN |
|----|---|
| 2 | MR. BENOWICH: Objection. |
| 3 | A we'll pick up from that point. |
| 4 | THE COURT: Simple process. Mr. |
| 5 | Benowich is relying on a letter. He disputes. He |
| 6 | uses word the withdraw, he uses abated. Alleviate |
| 7 | that. |
| 8 | Move on. It's not going to decide this |
| 9 | issue. |
| 10 | Q. Mr. Benowich used the term relative to land up |
| 11 | above, quote/unquote, as a consequence there was a bar; |
| 12 | do you recall that? |
| 13 | A. Ido. |
| 14 | Q. What is that? |
| 15 | A. It is stipulation in the findings and in the |
| 16 | preliminary approval that we can't use a road for |
| 17 | through traffic from Bedford into North Castle until |
| 18 | such time as we have a road in North Castle which has |
| 19 | its own primary access to the south. And at that time |
| 20 | they are committed to connecting the road and allowing |
| 21 | through traffic. |
| 22 | Q. In connection |
| 23 | MR. BENOWICH: Objection, your Honor. |
| 24 | Best evidence. What counsel is leading his |
| 25 | witness through is contained in writings and |
| | 8/22/11 |

1 H. GOLDMAN - REDIRECT - MR. COHN 2 written documents and this witness' recollection 3 without the documents is hearsay. No foundation. THE COURT: Mr. Benowich, you opened the 4 5 door. 6 MR. BENOWICH: I did and I have the 7 documents, counsel does not. And he is reading 8 from his memory, rather than from an agreement and 9 we'll be happy to go through it, but there is 10 wrong --11 THE COURT: I'm not going to require him 12 to go through it. I'm overruling the objection. 13 Proceed, Mr. Cohn, wrap this up. 14 In connection with the SEQRA process on the Q. land, as opposed to the road on your land, Seven Springs 15

| 16 | land, are there any holes that have to be dug in |
|----|--|
| 17 | connection with that process? |
| 18 | MR. BENOWICH: Process. Objection. |
| 19 | THE COURT: I'm sustaining the |
| 20 | objection. You have SEQRA. Whatever it is, it |
| 21 | is. |
| 22 | Q. That kind of activity can't be conducted on the |
| 23 | land because the stay is now in place? |
| 24 | A. A large number of investigations having to do |
| 25 | with sewage, storm water control, water supply, |
| | 8/22/11 |

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| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
| 2 | vegetation, maintenance of lawns, planting, traffic and |
| 3 | several others which I |
| 4 | THE COURT: They can't go forward with |
| 5 | doing the work necessary to develop this property |
| 6 | so they can subdivide it and build houses. |
| 7 | THE WITNESS: Could not have possibly |
| 8 | said it better. |
| 9 | THE COURT: Storm water has to be |
| 10 | controlled. That's standard work that's done when |
| 11 | we have a large development with many acres on it |
| 12 | like this. |
| 13 | THE WITNESS: Precisely so. |
| 14 | MR. COHN: No further questions. |
| 15 | THE COURT: Recross, Mr. Benowich? |
| 16 | MR. BENOWICH: Just a little, your |
| 17 | Honor. |
| 18 | Can I mark this? I don't have a copy. |
| 19 | I'm happy to show counsel. |
| 20 | (Findings statement, Seven Springs, |
| 21 | Final dated 6/3/09, marked for identification.) |
| 22 | RECROSS-EXAMINATION |
| 23 | BY MR. BENOWICH: |
| 24 | Q. Take a look at this and tell me if you've ever |
| 25 | seen it before? |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
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| 2 | A. Yes. |
| 3 | Q. Do you know what it is? |
| 4 | A. Yes. |
| 5 | Q. Can you tell me what it is? |
| 6 | A. It is the findings statement for our SEQRA |
| 7 | process in the Town of Bedford. |
| 8 | MR. BENOWICH: Ask that it be received |
| 9 | as exhibit B, your Honor. |
| 10 | MR. COHN: Well, your Honor, their |
| 11 | application is for North Castle, not Bedford. |
| 12 | THE COURT: There may be an issue. If |
| 13 | I'm incorrect, someone can explain. |
| 14 | It's my understanding, it's the witness' |
| 15 | understanding at some point Bedford will allow |
| 16 | traffic from North Castle through Bedford and Mr. |
| 17 | Benowich contests that ultimate conclusion; is |
| 18 | that fair? |
| 19 | MR. BENOWICH: That's right, Judge. |
| 20 | Two very quick questions I'll ask about |
| 21 | this document. |
| 22 | THE COURT: Why don't we, one page you |
| 23 | can look at. |
| 24 | MR. BENOWICH: Actually page two and on |
| 25 | page 21. |
| | 8/22/11 |

| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
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| 2 | THE COURT: Deemed in evidence, limited |
| 3 | to the two areas. Mr. Benowich is going to |
| 4 | question on page two and page 21. |
| 5 | MR. COHN: I would just ask, I'm sure |
| 6 | the Court will give it to me, one or two |
| 7 | questions, whether there is anything else of |
| 8 | relevance that may contradict whatever Mr. |
| 9 | Benowich elicited. |
| 10 | THE COURT: I'll deal with the |
| 11 | application when made. |
| 12 | Q. Look at the top, very top of page two. Do you |
| 13 | see? |
| 14 | A. Um-hmm. |
| 15 | Q. There is a finding made by Bedford, right? |
| 16 | A. Yes. |
| 17 | Q. And could you read the finding, the very top of |
| 18 | page two? |
| 19 | A. Withdrawal by the applicant, all applications to |
| 20 | the Town of North Castle August 10, 2007. |
| 21 | Q. Did you ever tell Bedford that finding was |
| 22 | incorrect? |
| 23 | A. Yes. |
| 24 | Q. How did do you that? |
| 25 | A. When I received the findings I called the |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
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| 2 | director of planning and I told them that that finding |
| 3 | was incorrect. |
| 4 | Q. When was that? |
| 5 | A. Sometime the second week in June. |
| 6 | Q. Which year? |
| 7 | A. '09, after their finding statement was made. |
| 8 | Q. Did you write them a letter? |
| 9 | A. No. |
| 10 | Q. You just called them? |
| 11 | A. Yeah. |
| 12 | Q. Look at page 21, fourth full paragraph? |
| 13 | MR. BENOWICH: Your Honor, I can ask the |
| 14 | witness to read. Since it's in evidence, I can |
| 15 | read it, perhaps somewhat more slowly. |
| 16 | THE COURT: Go ahead. |
| 17 | MR. BENOWICH: This is the fourth |
| 18 | paragraph on page 21. |
| 19 | Quote: The applicant has agreed that |
| 20 | the new road will not be extended or used for |
| 21 | access to the North Castle portion of the site, |
| 22 | except for access to the existing estate home. |
| 23 | If in the future the North Castle |
| 24 | portion of the site is developed with a primary |
| 25 | access from North Castle, the Bedford planning |
| | 8/22/118/22/11 |

| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
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| 2 | board may grant an amended subdivision approval, |
| 3 | specifically permitting the connection, to create |
| 4 | a through road. The other scenarios would violate |
| 5 | Town of Bedford regulation for dead end roads. |
| 6 | This agreement will be a covenant in the |
| 7 | recorded declaration of the homeowner's |
| 8 | association that will be formed by the applicant. |
| 9 | End of quote. |
| 10 | MR. COHN: Is there a question? |
| 11 | THE COURT: He hasn't finished. He read |
| 12 | it, now he's going to ask the question. |
| 13 | Q. Was there an agreement that you will not have a |
| 14 | through road between North Castle and Bedford? |
| 15 | THE COURT: That's not what it says. |
| 16 | A. This is a finding statement, not an agreement. |
| 17 | Q. This reflects an agreement. |
| 18 | You didn't have permission to build a through |
| 19 | road until two things at least happened, you got |
| 20 | permission of North Castle and you went back for |
| 21 | permission from Bedford; isn't that correct? |
| 22 | MR. COHN: Objection. It's entirely |
| 23 | consistent. It's not impeachment. |
| 24 | THE COURT: I'll allow. |
| 25 | MR. COHN: That's not what it |
| | |

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| 1 | H. GOLDMAN - RECROSS - MR. BENOWICH |
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| 2 | THE COURT: I'll allow. He's asking |
| 3 | this witness if that's what it was, if that's what |
| 4 | it says. |
| 5 | THE WITNESS: That's what it says. |
| 6 | Q. That was your agreement with Bedford? |
| 7 | A. The word agreement is improper. It's a finding |
| 8 | statement, it is not an agreement. It's a document |
| 9 | issued by the town, written by the town. |
| 10 | This particular paragraph is now being discussed |
| 11 | as part of a final approval and is going to be |
| 12 | completely rewritten. |
| 13 | THE COURT: Sustained. That's stricken. |
| 14 | He's right, Mr. Benowich, it's not an |
| 15 | agreement. It's a finding by the town board, |

| 16 | which places restrictions and conditions upon |
|----|--|
| 17 | further action. |
| 18 | MR. BENOWICH: With all respect, the |
| 19 | first four words of this are applicant has an |
| 20 | agreement. |
| 21 | THE COURT: Agreed to the findings, not |
| 22 | the ultimate conclusion. |
| 23 | Q. Was this paragraph accurate? |
| 24 | A. Not in the first four words. We didn't agree it |
| 25 | was required of us. |
| | 8/22/11 |

| H. GOLDMAN - RECROSS - MR. BENOWICH |
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| Q. Did you call the planning |
| THE COURT: We're making a non issue. |
| They can not have a through road until the two |
| conditions precedent founded in that findings are |
| met and permission from the two communities. |
| No further questions? |
| The language isn't a permanent bar to a |
| through road. |
| MR. BENOWICH: It is until he gets |
| permission. |
| THE COURT: Exactly. He has no |
| permission. At this point he has to seek |
| permission and meet certain conditions when he |
| seeks permission. |
| |

| 16 | MR. COHN: Includes winning the case. |
|----|--|
| 17 | THE COURT: I don't know. |
| 18 | Move on. Do you have any questions for |
| 19 | this witness? |
| 20 | MR. COHN: No, your Honor. |
| 21 | THE COURT: Very good. |
| 22 | You are finished, Mr. Goldman. Am I |
| 23 | right? I remembered your name. That doesn't |
| 24 | always happen to everybody. You may step down. |
| 25 | (Witness left the stand.) |
| | 8/22/11 |

1 J. MCCONNEY - DIRECT - MR. COHN 2 THE COURT: B will be marked in 3 evidence. 4 (Defendant's Exhibit B received in 5 evidence.) 6 (Recess.) 7 (Plaintiff's Exhibit 30, Seven Springs 8 Expense Projection, ending 7/31/12, marked for 9 identification.) 10 THE COURT: Mr. Cohn, are you ready to 11 call your next witness? 12 MR. COHN: Yes. 13 THE COURT: Please proceed. 14 MR. COHN: Plaintiff calls Jeff 15 McConney.

| (Witness took the stand.) |
|---|
| THE COURT OFFICER: Raise your right |
| hand. |
| Do you swear the evidence you are about |
| to give in the matter before this Court will be |
| the truth, the whole truth and nothing but the |
| truth, so help you God? |
| THE WITNESS: Yes. |
| THE COURT OFFICER: Be seated. State |
| your full name and address. |
| 8/22/11 |
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| 1 | J. MCCONNEY - DIRECT - MR. COHN |
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| 2 | THE WITNESS: Jeffrey McConney, 390 |
| 3 | First Avenue, New York, New York. |
| 4 | THE COURT: Spell your last name. |
| 5 | THE WITNESS: M-C-C-O-N-N-E-Y. |
| 6 | THE COURT: M C capital C? |
| 7 | THE WITNESS: Yes, sir. |
| 8 | THE COURT: Proceed. |
| 9 | DIRECT EXAMINATION |
| 10 | BY MR. COHN: |
| 11 | Q. Mr. McConney, by whom are you employed and in |
| 12 | what capacity? |
| 13 | A. Comptroller, Trump Organization. |
| 14 | Q. How long have you been in that capacity? |
| 15 | A. Little over 24 years. |
| 16 | Q. And in the briefest terms, what is your |
| 17 | background in relation to the duties you perform at the |
| 18 | Trump Organization as comptroller? |
| 19 | A. Background, graduated from Baruch College in |
| 20 | 1978. Worked for a CPA firm for nine years, then worked |
| 21 | for Mr. Trump taking care of the day-to-day operations |
| 22 | of the whole organization. On the accounting side of |
| 23 | operations; development, marketing, I take care of the |
| 24 | accounting side. |
| 25 | Q. On the accounting side were you requested to do |
| | 8/22/11 |

| 1 | J. MCCONNEY - DIRECT - MR. COHN |
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| · 2 | an expense projection in relation to this operation? |
| 3 | A. Yes. |
| 4 | Q. I show you what is Exhibit 30 for |
| 5 | identification. |
| 6 | THE COURT: 30, 3-0? |
| 7 | MR. COHN: 30. |
| 8 | A. Yes. That's the projection that I prepared |
| 9 | along with my accounting department. |
| 10 | MR. COHN: Your Honor, opposing counsel |
| 11 | has a copy of all the exhibits we had premarked. |
| 12 | We'll try to move along as best we can. |
| 13 | THE COURT: That's marked for |
| 14 | identification. Offered in evidence? |
| 15 | MR. COHN: Yes. I'm going to offer it |
| 16 | in evidence. |
| 17 | MR. BENOWICH: I have an objection, your |
| 18 | Honor. |
| 19 | This is plainly a summary prepared for |
| 20 | litigation. I don't know if the stack that I was |
| 21 | given today is background that you have or not. |
| 22 | Certainly without that representation and |
| 23 | authentication, knowing what this includes, I |
| 24 | can't agree to putting it in. |
| 25 | THE COURT: Let me see the document, |
| | 8/22/11 |

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| 1 | J. McCONNEY - DIRECT - MR. COHN |
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| 2 | please. |
| 3 | I'm going to sustain the objection |
| 4 | without prejudice to you, Mr. Cohn, to lay a |
| 5 | stronger foundation for the admission of this |
| 6 | document. |
| 7 | MR. COHN: Thank you. |
| 8 | Q. Mr. McConney, you brought certain financial |
| 9 | records here today that have been premarked, as I |
| 10 | believe, 1 through, give it to you, 1 through the |
| 11 | records are, let's say 30; have you not? |
| 12 | A. Yes. |
| 13 | Q. How, if at all, do these records could you |
| 14 | give us a brief description, what's in these folders, |
| 15 | let's say 1 through 28, or whatever they are, for |
| 16 | identification? |
| 17 | A. We used them as a basis for coming up with the |
| 18 | bulk of the expenses for the first seven months of costs |
| 19 | to run the Seven Springs property. |
| 20 | The folders in front of you are the invoices |
| 21 | paid by Seven Springs, LLC operational administration |
| 22 | repairs. |
| 23 | Q. When you took those, they were for what period? |
| 24 | How long a period? |
| 25 | A. From January through July, 2011. |
| | 8/22/11 |

| 1 | J. McCONNEY - DIRECT - MR. COHN |
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| 2 | Q. Seven months? |
| 3 | A. Correct. |
| 4 | Q. How, if at all, did you extrapolate those? |
| 5 | A. We analyzed invoices and extrapolated the next |
| 6 | 12-month period as budget, any other budget. |
| 7 | Q. In relation to Exhibit 30 for identification, |
| 8 | how, if at all, do the other exhibits within the folders |
| 9 | on the table in front of you, 1 through 28 or 29, how do |
| 10 | they relate to Exhibit 30? |
| 11 | MR. BENOWICH: Objection. |
| 12 | THE COURT: I'll allow it. |
| 13 | A. The folders in front of you, I don't have the |
| 14 | exact exhibit number, page four, exhibit 30, is a |
| 15 | listing of the expenses for Seven Springs; okay? |
| 16 | THE COURT: You use the word expenses. |
| 17 | Expenses from January through July, 2011. |
| 18 | THE WITNESS: Two columns. First marked |
| 19 | 2011, actual seven months, invoices paid by Seven |
| 20 | Springs, LLC. |
| 21 | Next column, projected. We extrapolated |
| 22 | then numbered the next 12-month period, everything |
| 23 | 2011. Seven months column bills are one of the |
| 24 | exhibits in front of you. |
| 25 | Q. One of those folders? |
| | |

| 1 | J. McCONNEY - DIRECT - MR. COHN |
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| 2 | A. One of those folders. |
| 3 | Q. And so in effect 30 is a summation of the bills |
| 4 | in the folders? |
| 5 | A. Correct. |
| 6 | Q. As shown on the seven months column, actually? |
| 7 | A. Correct. In addition to that, a few folders, |
| 8 | one is for real estate, one for insurance, which are in |
| 9 | the summary. Not the back page, but in back of the |
| 10 | projection for real estate taxes and insurance. |
| 11 | Q. By way of example, the real estate taxes, first |
| 12 | page under direct expenses, that would be Exhibit 1 for |
| 13 | identification? |
| 14 | A. I don't have the Exhibit Number here. There is |
| 15 | a copy of real estate tax bills for the next calendar |
| 16 | and fiscal years. |
| 17 | MR. COHN: I'm representing Exhibit 1 |
| 18 | for identification, real estate taxes, and by way |
| 19 | of example, Exhibit 27, second from the end, first |
| 20 | page, general insurance. |
| 21 | Q. Do the exhibits, do you intend to demonstrate to |
| 22 | the Court that the exhibits marked for identification, |
| 23 | those folders key into the various expenses elicited on |
| 24 | Exhibit 30? |
| 25 | A. Yes. |
| | 8/22/118/22/11 |

| 1 | J. MCCONNEY - DIRECT - MR. COHN |
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| 2 | Q. Is Exhibit 30 a list of those expenses? |
| 3 | A. Yes. |
| 4 | MR. COHN: Your Honor, I offer those at |
| 5 | this time. |
| 6 | THE COURT: Mr. Benowich, do you intend |
| 7 | to question the fact that the numbers on what's |
| 8 | been marked for identification as Exhibit 30 |
| 9 | reflects the bills that are in the folders? |
| 10 | If you want to go through those folders |
| 11 | you can, but it's on your clock, not mine. |
| 12 | MR. BENOWICH: Two things. One is I |
| 13 | don't know what bills. We haven't had discovery. |
| 14 | I got in this morning. I'm going to assume if |
| 15 | they say a bill is shown as being paid and is |

| 16 | supposed to be in the folder, then it's there, for |
|----|--|
| 17 | the moment. |
| 18 | The problem is this gentleman talked |
| 19 | about the Seven Springs project, which we know and |
| 20 | I know from looking at the first folder is not |
| 21 | North Castle, which is the subject of your Honor's |
| 22 | inquiry. |
| 23 | We've established if there is any impact |
| 24 | on the Bedford plan which has been approved it's |
| 25 | voluntary. They want to hold onto that to see |
| | 8/22/11 |

| 1 | J. MCCONNEY - DIRECT - MR. COHN |
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| 2 | what they get. That's not the result of the |
| 3 | injection for example, I'm looking at the |
| 4 | bills, the real estate bill folder. I see bills |
| 5 | that are not from North Castle, so to the extent |
| 6 | that this summary, Exhibit 30, purports to be |
| 7 | broader, it's one of my bases for objection. To |
| 8 | the extent that it's broader than North Castle, I |
| 9 | object as irrelevant and, you know, it's not what |
| 10 | we're here about. |
| 11 | MR. COHN: We intend to show that there |
| 12 | are various allegations which bring it down to |
| 13 | figures that represent, for this witness' |
| 14 | testimony, the North Castle property. If there |
| 15 | are other bills |
| 16 | THE COURT: I'll allow, Mr. Benowich. |
| 17 | The argument goes to the weight, rather than |
| 18 | admissibility. |
| 19 | I'll admit, subject to whatever |
| 20 | information you want to establish. |
| 21 | Mr. Cohn, have Exhibit 30 marked in |
| 22 | evidence. |
| 23 | MR. BENOWICH: Can it be received |
| 24 | subject to connection with each of the items in |
| 25 | the folders, because without having gone through |
| | |

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| 1 | J. McCONNEY - DIRECT - MR. COHN/VOIR DIRE |
| 2 | that, it's prejudicial to me to assume, as I did |
| 3 | for the purpose of the argument with the Court. |
| 4 | THE COURT: Yes. |
| 5 | MR. BENOWICH: Everything is in here. |
| 6 | THE COURT: You will be given the |
| 7 | opportunity to review the claimed supporting |
| 8 | documentation and question this witness at some |
| 9 | point, if you wish, if you believe there is |
| 10 | something in the supporting documentation that |
| 11 | does not support the numbers in the exhibit. |
| 12 | I understand your argument. The exhibit |
| 13 | as submitted, their point is it's for the entire |
| 14 | project. And whether or not that's relevant on |
| 15 | the issue of what damages there are by blocking |
| 16 | the enjoining use of Oregon Road, North Castle is |
| 17 | another issue. |
| 18 | MR. BENOWICH: May I have one voir dire, |
| 19 | one line? |
| 20 | THE COURT: Yes. |
| 21 | VOIR DIRE |
| 22 | BY MR. BENOWICH: |
| 23 | Q. Sir, looking at Exhibit 30, first debt service, |
| 24 | \$5,800? |
| 25 | A. Yes. |
| | 8/22/11 |

| 1 | J. McCONNEY - DIRECT - MR. COHN/VOIR DIRE |
|----|---|
| 2 | Q. Do you have the folder for the mortgages? |
| 3 | A. No. I didn't bring the folder for the |
| 4 | mortgages. |
| 5 | Q. What's this number based on? |
| 6 | A. 12 monthly mortgage payments. |
| 7 | Q. By whom? |
| 8 | A. Seven Springs, LLC. |
| 9 | Q. To whom? |
| 10 | A. The bank. |
| 11 | Q. Are the payment checks for payment of the |
| 12 | mortgages here? |
| 13 | A. No. |
| 14 | MR. BENOWICH: The checks aren't here. |
| 15 | I renew my objection to this. |
| 16 | THE COURT: Mr. Benowich, it goes to the |
| 17 | weight this witness, the comptroller who pays the |
| 18 | bills, under oath testified they made those |
| 19 | payments. |
| 20 | MR. BENOWICH: He may well have mailed |
| 21 | the payments, but I am entitled to, before this |
| 22 | comes in as a summary of the payments that he |
| 23 | claims were made, to have the documents in court |
| 24 | that are not in court. |
| 25 | I will represent to the Court that I |
| | 8/22/11 |

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| 1 | J. McCONNEY - DIRECT - MR. COHN/VOIR DIRE |
| 2 | have had a title search done and there is |
| 3 | \$8 million of debt on this property as of July of |
| 4 | this year. I don't know how you could get a |
| 5 | \$580,000 mortgage when those are the only two |
| 6 | mortgages on the property, so I renew my |
| 7 | objection. |
| 8 | THE WITNESS: Can I say something? |
| 9 | THE COURT: I'm allowing. Objection |
| 10 | overruled. Ask further questions on cross. |
| 11 | Mr. Cohn, proceed, please. |
| 12 | THE COURT: Refresh my recollection. |
| 13 | You're asking for production of the mortgage |
| 14 | checks? |
| 15 | MR. BENOWICH: If he has them I would |
| 16 | like to see them. I don't think a summary can |
| 17 | come in. |
| 18 | THE COURT: Mr. Benowich, are you asking |
| 19 | for the mortgage checks? One or two words. Yes |
| 20 | or no? |
| 21 | MR. BENOWICH: If it's in evidence, I |
| 22 | would like them. |
| 23 | THE COURT: Very well. Get those |
| 24 | mortgages checks, make copies. See that Mr. |
| 25 | Benowich gets them. Once Mr. Benowich gets them, |
| | 8/22/118/22/11 |
| | |

| 1 | |
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| 1 | J. MCCONNEY - DIRECT - MR. COHN |
| 2 | I'll reserve, if he wants to review. Move on. |
| 3 | (Plaintiff's Exhibit 30, expense |
| 4 | projection ending 7/31/12, received in evidence.) |
| 5 | DIRECT EXAMINATION |
| 6 | BY MR. COHN: |
| 7 | Q. We're getting ahead of ourselves. Since it was |
| 8 | raised, since the mortgage checks are not here are, |
| 9 | there checks totalling 579, 420? |
| 10 | A. On the last page of Exhibit 30, which says |
| 11 | expense projection, it has a list of administrative |
| 12 | operating repairs and maintenance. The column says |
| 13 | 2011, actual seven months. |
| 14 | Those are the bills in front of you, the paid |
| 15 | bills through January through July, 2011, the numbers |
| 16 | used for the projection, which are on the summary, |
| 17 | expense projection on the summary, which is the first |
| 18 | page of the exhibit, which is the projection for the |
| 19 | next 12 months debt service. Payments are for the next |
| 20 | 12 months. |
| 21 | Q. In fact, 575 is higher than the checks that you |
| 22 | have for the seven months; is that correct? |
| 23 | A. Correct. It would be 12 payments instead of |
| 24 | seven. |
| 25 | Q. Is this entirely for the property at issue? |
| | |
| | |

1 J. MCCONNEY - DIRECT - MR. COHN 2 Yes. Α. 3 Q. The North Castle property or does it include 4 other properties? 5 Seven Springs, LLC. It's only by Seven Springs, A. 6 LLC. Seven Springs, LLC to the lender, whatever 7 property is owned by Seven Springs, LLC. 8 THE COURT: Do they own any other 9 property, other than the property that is 10 contained in the three towns; Bedford, North 11 Castle, New Castle? 12 THE WITNESS: No, sir. 13 Whatever expenses, sir, appear on Exhibit 30, Q. 14 what is the plan, if any, for defraying those expenses 15 in connection with this property?

| 16 | Is there a plan for defraying those expenses? |
|----|--|
| 17 | MR. BENOWICH: Objection. |
| 18 | THE COURT: What does that mean, framed? |
| 19 | MR. COHN: Defraying. |
| 20 | THE COURT: Defraying I'll allow. |
| 21 | A. When the project I'm not a lawyer when the |
| 22 | project is approved and becomes condominiums the |
| 23 | homeowners' association will then pay real estate taxes, |
| 24 | salaries, repairs, maintenance, snow removal expenses. |
| 25 | What we're referring to, now Mr. Trump is funding out of |
| | |

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| 1 | J. McCONNEY - DIRECT - MR. COHN |
| 2 | his pocket. That will be stopped when the mortgage |
| 3 | payment is paid off through the sale of some units; |
| 4 | general insurance, expenses, repairs, maintenance, |
| 5 | operating expenses will all be paid by the condominium |
| 6 | association. |
| 7 | Q. Then, sir, what we're seeking here is if the |
| 8 | stay, hypothetically if the stay is prolonged, this |
| 9 | property's expenses are prolonged for one year, is that |
| 10 | the projection? |
| 11 | A. Yes, sir. |
| 12 | Q. What, if anything, is lost opportunity costs? |
| 13 | MR. BENOWICH: Objection. |
| 14 | THE COURT: I'll allow him to explain |
| 15 | it. |
| 16 | A. Right now Mr. Trump is funding this project to |
| 17 | the tune of 3 million or whatever million dollars per |
| 18 | year he's losing the opportunity to spend that on |
| 19 | another project, to buy another golf course, another |
| 20 | piece of undeveloped land he may be able to make more |
| 21 | money on. So, at this time, the rates of return are |
| 22 | forgone by choosing to put funds in one property as |
| 23 | opposed to another. |
| 24 | MR. BENOWICH: Objection, your Honor, |
| 25 | irrelevant. Mr. Trump is not the Plaintiff. He |
| | |

1 J. MCCONNEY - DIRECT - MR. COHN 2 may be the deep pocket behind it, but Plaintiff is 3 Seven Springs, LLC. 4 THE COURT: Sustained. Strike that 5 answer from the record. 6 Q. Okay. What are the lost opportunity costs in 7 relation to Seven Springs, LLC? 8 MR. BENOWICH: Objection. 9 THE COURT: I'm allowing that. 10 Α. Seven Springs, LLC if this project went forward 11 are condominium sales from housing sales. 12 THE COURT: Off the record. 13 (Discussion off the record.) 14 MR. COHN: He's not a lawyer. I don't 15 want to lead him.

| 16 | Q. We do want to be correct. We are selling homes. |
|----|--|
| 17 | It's a homeowner's association. There is no secret |
| 18 | here. Rather than prolonging, instead of condominium, |
| 19 | you are referring, in effect, apologize to counsel, to a |
| 20 | homeowner's association? |
| 21 | A. Yes. |
| 22 | Q. You say these costs, taking over, are the |
| 23 | projected homeowner's association? |
| 24 | A. Yes. |
| 25 | Q. Now, what are the lost opportunity costs? Make |
| | 8/22/11 |

| 1 | J. McCONNEY - DIRECT - MR. COHN |
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| 2 | it brief. |
| 3 | What are the lost opportunity costs incurred at |
| 4 | Seven Springs, are they paying these expenses? |
| 5 | A. The current expenses? |
| 6 | Q. When you said Mr. Trump, you meant Seven |
| 7 | Springs? |
| 8 | MR. BENOWICH: Objection. |
| 9 | THE COURT: Sustained. |
| 10 | Q. Okay. What are the lost opportunity costs to |
| 11 | Seven Springs in the briefest of terms? |
| 12 | A. If the project is not going forward, if we're |
| 13 | not selling homes, we're not deriving revenue. |
| 14 | One of our primary businesses is to sell homes. |
| 15 | If we can't sell the homes, then we're losing that |

| 16 | money. |
|----|---|
| 17 | Q. Future profits? |
| 18 | A. Yes. |
| 19 | MR .BENOWICH: Objection. |
| 20 | Q. In your figure, sir, is there any calculation |
| 21 | made or requested to this Court in connection with this |
| 22 | application for lost opportunity costs? |
| 23 | A. No. |
| 24 | MR. BENOWICH: Move to strike the whole |
| 25 | thing as counsel established, it's irrelevant. |
| | |

| 1 | J. McCONNEY - DIRECT - MR. COHN |
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| 2 | MR. COHN: Not irrelevant. |
| 3 | THE COURT: I'm allowing. Goes to the |
| 4 | weight. |
| 5 | Please proceed. |
| 6 | Q. Now, in connection with real estate taxes, |
| 7 | Exhibit 1, for identification, the figure on Exhibit 30 |
| 8 | is 411825. Is that are the bills there for more than |
| 9 | one property? Are they for the North Bedford and New |
| 10 | Castle properties? |
| 11 | A. It's for all three properties, North Castle, New |
| 12 | Castle, Bedford properties. |
| 13 | Q. Has there been an application to bring it down |
| 14 | to this subject property? |
| 15 | A. It's for all three towns, taxes for the whole |
| 16 | property, three towns. |
| 17 | Q. And that's the 411825? |
| 18 | A. Correct. |
| 19 | Q. You made that projection? |
| 20 | A. There is 2011 paid bills and the fiscal year of |
| 21 | school which is 2010, 2011. |
| 22 | THE COURT: Just so that I understand |
| 23 | fully what we're talking about, you indicated |
| 24 | there was nine homes in Bedford and now we're |
| 25 | dealing with the North Castle property. Any |
| | |

| 4 | |
|----|--|
| | J. MCCONNEY - DIRECT - MR. COHN |
| 2 | development in New Castle, happens to be a little |
| 3 | bit of land here? Do we know? Anybody know? Are |
| 4 | there any homes plans for New Castle, Town of |
| 5 | Bedford? |
| 6 | Town of North Castle is the subject |
| 7 | property here, Oregon Road, North Castle and you |
| 8 | talk about some of this property being in the Town |
| 9 | of New Castle. |
| 10 | MR. COHN: We just opened an application |
| 11 | for New Castle. |
| 12 | THE COURT: We don't know where we stand |
| 13 | with regard to New Castle. Maybe some future |
| 14 | development, New Castle at some point. |
| 15 | MR. COHN: That's correct. |

| 16 | THE COURT: Proceed. |
|----|--|
| 17 | Q. When I relate to the subject property, I'm |
| 18 | talking about North Castle, all right? |
| 19 | Now, what are the indirect expenses, first page |
| 20 | of 30? |
| 21 | A. Two types of expenses. The easy ones are |
| 22 | direct, which apply directly to the real estate taxes, |
| 23 | maintenance, payroll, repairs and maintenance to the |
| 24 | property. |
| 25 | Indirect expenses are corporate expenses that |
| | |

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| 1 | J. MCCONNEY - DIRECT - MR. COHN |
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| 2 | are not directly attributable to it. We allocate a |
| 3 | percentage to that property, because the work is done on |
| 4 | it exclusively, people working on it, like myself. |
| 5 | Q. Where is the administration of property done |
| 6 | from or performed from what location? |
| 7 | A. 725 Fifth Avenue. |
| 8 | Q. And what percentage of allocation to the |
| 9 | indirect expenses of that office have you made relative |
| 10 | to Seven Springs? |
| 11 | A. Ten percent. |
| 12 | Q. So these figures represent ten percentage |
| 13 | allocation for a period of one year; is that correct? |
| 14 | A. On the payroll and payroll tax side we went |
| 15 | through the individual duties. |
| 16 | We didn't take every single employee at the |
| 17 | Trump Organization that works there. We analyzed what |
| 18 | they did what they related to the Seven Springs property |
| 19 | and took ten percent of their property and business |
| 20 | corporate overhead. Ten percent of the rent, insurance, |
| 21 | telephone bill. |
| 22 | Q. How much did that come to in total? |
| 23 | A. \$1,056,900. |
| 24 | Q. Let's get to the real estate, 411825. That's |
| 25 | Exhibit 1? |
| | 8/22/11 |

| 1 | J. McCONNEY - DIRECT - MR. COHN/VOIR DIRE |
|----|--|
| 2 | A. Yes. |
| 3 | MR. COHN: I offer it, your Honor. |
| 4 | THE COURT: Show it. |
| 5 | MR. COHN: Mr. Benowich has it. |
| 6 | MR. BENOWICH: This is the same thing? |
| 7 | MR. COHN: Yes. |
| 8 | MR. BENOWICH: Voir dire, your Honor? |
| 9 | THE COURT: Yes. |
| 10 | VOIR DIRE |
| 11 | BY MR. BENOWICH: |
| 12 | Q. Do you mind if I stay back here, is that okay? |
| 13 | You said these are bills for 2010, issued by New |
| 14 | Castle, North Castle and Bedford; is that right? |
| 15 | A. Correct. |
| 16 | Q. And why did you include New Castle and Bedford |
| 17 | in this package? |
| 18 | A. Going back to the homeowner's association, these |
| 19 | expenses will be around until the homeowner's |
| 20 | association begins and real estate taxes will not be |
| 21 | paid by Seven Springs, LLC, but by the individual |
| 22 | homeowners, which are these taxes. |
| 23 | Q. Are you being required to pay them by reason of |
| 24 | the injunction? |
| 25 | A. I'm not a lawyer, I can't answer that question. |
| | 8/22/118/22/11 |

| 1 | STIPULATION |
|----|--|
| 2 | Q. Would any of these taxes have withdrawn. |
| 3 | Would you have been able to stop paying any of |
| 4 | these taxes if the injunction had not been issued? |
| 5 | A. Not to my knowledge. |
| 6 | Q. These taxes have to be paid, regardless of the |
| 7 | injunction? |
| 8 | MR. COHN: Objection as being |
| 9 | irrelevant. It's not a question of how long the |
| 10 | taxes go out, not the fact that, yes, they do have |
| 11 | to be paid. We'll stipulate whether or not there |
| 12 | is an injunction, if the injunction |
| 13 | THE COURT: Let's break for the morning. |
| 14 | I want to talk to you people. |
| 15 | (Recess.) |
| 16 | THE COURT: Mr. Cohn? |
| 17 | MR. COHN: Your Honor, at the Court's |
| 18 | suggestion, with the aid of the Court, we have |
| 19 | reached an agreement on this issue as to the |
| 20 | amount of the bond. |
| 21 | THE COURT: Very well. |
| 22 | MR. COHN: We agree that the bond to be |
| 23 | posted by the Nature Conservancy shall be |
| 24 | \$750,000. |
| 25 | THE COURT: Very well. You'll submit an |
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| 1 | STIPULATION |
| 2 | order, Mr. Cohn, for me to sign. I'll so order |
| 3 | the stipulation. |
| 4 | Mr. Benowich, you agree that's the |
| 5 | amount on behalf of your clients? |
| 6 | MR. BENOWICH: That is the number. |
| 7 | THE COURT: Agreement is so ordered by |
| 8 | the Court. Submit a written order for my |
| 9 | signature, please. |
| 10 | MR. COHN: Thank you. I would like to |
| 11 | order this aspect of the transcript. |
| 12 | THE COURT: Off the record. |
| 13 | (Discussion off the record.) |
| 14 | THE COURT: You arrived at a very |
| 15 | reasonable number, gentlemen. Thank you very |

much. Certified to be a true and correct transcript. Mary C Traynor, Senior Court Reporter -8/22/11-